

Recent uptick might appease TH Plantations Berhad (KLSE:THPLANT) institutional owners after losing 25% over the past year

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Key Insights

- Institutions' substantial holdings in TH Plantations Berhad implies that they have significant influence over the company's share price
- Lembaga Tabung Haji, Endowment Arm owns 74% of the company
- Using data from company's past performance alongside ownership research, one can better assess the future performance of a company

Every investor in TH Plantations Berhad (KLSE:THPLANT) should be aware of the most powerful shareholder groups. And the group that holds the biggest piece of the pie are institutions with 74% ownership. Put another way, the group faces the maximum upside potential (or downside risk).

Last week's RM71m market cap gain would probably be appreciated by institutional investors, especially after a year of 25% losses.

Let's delve deeper into each type of owner of TH Plantations Berhad, beginning with the chart below.

What Does The Institutional Ownership Tell Us About TH Plantations Berhad?

Many institutions measure their performance against an index that approximates the local market. So they usually pay more attention to companies that are included in major indices.

We can see that TH Plantations Berhad does have institutional investors; and they hold a good portion of the company's stock. This can indicate that the company has a certain degree of credibility in the investment community. However, it is best to be wary of relying on the supposed validation that comes with institutional investors. They too, get it wrong sometimes. It is not uncommon to see a big share price drop if two large institutional investors try to sell out of a stock at the same time. So it is worth checking the past earnings trajectory of TH Plantations Berhad, (below). Of course, keep in mind that there are other factors to consider, too.

Investors should note that institutions actually own more than half the company, so they can collectively wield significant power. We note that hedge funds don't have a meaningful investment in TH Plantations Berhad. Lembaga Tabung Haji, Endowment Arm is currently the company's largest shareholder with 74% of shares outstanding. This implies that they have majority interest control of the future of the company. In comparison, the second and third largest shareholders hold about 4.5% and 1.1% of the stock.

While it makes sense to study institutional ownership data for a company, it also makes sense to study analyst sentiments to know which way the wind is blowing. While there is some analyst coverage, the company is probably not widely covered. So it could gain more attention, down the track.

Insider Ownership Of TH Plantations Berhad

While the precise definition of an insider can be subjective, almost everyone considers board members to be insiders. Company management run the business, but the CEO will answer to the board, even if he or she is a member of it.

I generally consider insider ownership to be a good thing. However, on some occasions it makes it more difficult for other shareholders to hold the board accountable for decisions.

We can see that insiders own shares in TH Plantations Berhad. As individuals, the insiders collectively own RM49m worth of the RM544m company. This shows at least some alignment, but we usually like to see larger insider holdings. You can [click here](#) to see if those insiders have been buying or selling.

General Public Ownership

With a 14% ownership, the general public, mostly comprising of individual investors, have some degree of sway over TH Plantations Berhad. While this group can't necessarily call the shots, it can certainly have a real influence on how the company is run.

Next Steps:

While it is well worth considering the different groups that own a company, there are other factors that are even more important. Like risks, for instance. Every company has them, and we've spotted 4 warning signs for TH Plantations Berhad (of which 2 are concerning!) you should know about.